

AMENDED IN ASSEMBLY AUGUST 22, 2005

AMENDED IN ASSEMBLY JULY 12, 2005

AMENDED IN SENATE MAY 3, 2005

AMENDED IN SENATE APRIL 4, 2005

**SENATE BILL**

**No. 441**

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**Introduced by Senator Soto**

February 17, 2005

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An act to add Section 739.11 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 441, as amended, Soto. Electricity: rates: advanced metering infrastructure.

~~Under~~

(1) *Under* existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires electrical corporations furnishing electricity to an agricultural producer to prepare and file tariffs providing for optional off-peak demand service, including the availability of time-differentiating meters or other measurement devices.

This bill would, with certain exceptions, prohibit the commission from requiring the installation of advanced metering infrastructure, as defined, for any building constructed prior to January 1, 2006, and occupied by a customer with average annual electricity usage of less

than 1,000 kilowatthours per month, unless the commission first evaluates certain factors, as specified.

~~Under~~

(2) *Under* existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime.

Because the provisions of this bill would be a part of the act and a violation of any of those provisions would be a crime, the bill would impose a state-mandated local program by creating a new crime.

~~The~~

(3) *The* California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) The Public Utilities Commission is currently considering  
4 authorizing or requiring electrical corporations to install  
5 advanced metering infrastructure (AMI) for their customers,  
6 including all existing residential and small commercial  
7 customers, regardless of their size or location.

8 (b) Electrical corporations have already requested over one  
9 hundred twenty million dollars (\$120,000,000) to spend in 2005  
10 in order to prepare to install AMI in early 2006.

11 (c) The entire statewide cost of AMI installation is estimated  
12 at several billion dollars.

13 (d) The commission has not conducted any evidentiary  
14 hearings to determine whether universal installation of AMI for  
15 small customers will be cost effective for those customers.

16 SEC. 2. Section 739.11 is added to the Public Utilities Code,  
17 to read:

18 739.11. (a) For purposes of this section, “advanced metering  
19 infrastructure” means interval data recording meters, along with

1 two-way communications and any other equipment necessary for  
2 the installation and operation of the meters.

3 (b) Except as provided in Sections 353.3 and 393, the  
4 commission shall not require the installation of advanced  
5 metering infrastructure for any building constructed prior to  
6 January 1, 2006, and occupied by a customer with annual  
7 average usage of less than 1,000 kilowatthours per month, unless  
8 it first evaluates the following:

9 (1) The effect on average annual electricity rates for  
10 residential and small commercial customer classes for every year  
11 of repayment for the AMI investment.

12 (2) The bill impacts of any proposed mandatory  
13 time-differentiated rates on residential customers in hot climate  
14 zones.

15 (3) The amount of peak load reduction contrasted with other  
16 demand reduction program alternatives.

17 (4) The *feasibility and* cost effectiveness of partial deployment  
18 in selected zones contrasted with deployment throughout an  
19 entire service territory of an electrical corporation.

20 SEC. 3. No reimbursement is required by this act pursuant to  
21 Section 6 of Article XIII B of the California Constitution because  
22 the only costs that may be incurred by a local agency or school  
23 district will be incurred because this act creates a new crime or  
24 infraction, eliminates a crime or infraction, or changes the  
25 penalty for a crime or infraction, within the meaning of Section  
26 17556 of the Government Code, or changes the definition of a  
27 crime within the meaning of Section 6 of Article XIII B of the  
28 California Constitution.